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REVIEW OF THE WORLD SITUATION

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REVIEW OF THE WORLD SITUATION AS IT RELATES TO THE SECURITY OF THE UNITED STATES

SUMMARY

1. As a result of the intervention of Chinese Communist troops in Korea, the UN tactical position there has deteriorated sharply, and the USSR has regained the initiative in its continuing world-wide power-contest with the US and its allies. The intervention demonstrates that the USSR is willing to pursue the experiment in war-by-proxy despite a considerable risk of vastly enlarging the area of armed conflict. Neither the beginning of the accelerated North Atlantic Treaty rearmament program nor the new vigor shown by the UN has caused the USSR to change either its strategic objectives or its aggressive tactics. Soviet policy continues to aim at the development and exploitation of local weaknesses on the periphery of the non-Communist world.

2. Despite the grave risk that intervention in Korea would lead to retaliation and possibly global war, both China and the USSR stood to gain certain immediate advantages from it: averting the immediate psychological and political consequences of the North Korean defeat; keeping UN forces away from the actual frontiers of China and the USSR; prolonging the commitment of UN forces in Korea; and keeping open the possibility of a political settlement. By not formally announcing the objectives of their intervention, the Chinese Communists have retained full freedom of action, and, depending upon US and UN reaction, can tailor the precise nature and extent of their intervention to developments.

3. The introduction of Chinese Communist forces into Korea has confronted the UN with a more serious challenge than that presented by the initial invasion of South Korea. Nevertheless, there are definite signs that the international organization has become a more effective device for curbing aggression than at any time in its history. Although the Chinese Communists may limit their intervention to still-to-be-defined local objectives, the grave probability exists that a strong UN military reaction against Chinese territory would encourage the Chinese Communists to attempt a large-scale offensive designed to secure Korea.

4. The situation in Indochina remains one which the Communists can exploit without serious fear of early and effective UN counteraction. Both the military and political situations have deteriorated to a critical state, but so long as the present political context of the war in Indochina continues, it is extremely doubtful that the UN could agree on a basis for initiating effective military action against Ho Chi Minh. Containment of Ho's forces presently depends almost exclusively on US aid, and even with such help (short of direct ground, air, and naval support) the French probably cannot hold northern Indochina for more than six months, nor all of Indochina for more than eighteen months.

5. The Chinese Communist invasion of Tibet has aroused considerable anger and resentment within the Indian Government. Although a basic change in India's international outlook is not yet apparent, considerable pressure is undoubtedly being placed on Nehru to have him abandon his moral support of Communist China. As the threat of Chinese-dominated Communism in Southeast

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Asia increases, prospects for such abandonment will improve, together with the consequent possibilities of Indian cooperation in curbing Communist expansion.

6. French intransigence is not only preventing positive international action in Indochina, but is delaying the developing defense program for Western Europe, where the consequences—though less immediate—are potentially graver than those in Indochina. Although French opposition to German participation appears to be weakening, the fact remains that unless the NATO countries arrive at an adequate solution of the defense problem, Western European skepticism as to the efficacy of the West will be so intensified as to render the entire program a dubious enterprise.

7. The recent Soviet overtures toward German unification were designed, in part at least, to deter the West Germans from supporting German remilitarization. Although it is conceivable that the USSR may be willing to forego the advantages of its control over East Germany in order to try to neutralize Germany through unification, it is more likely that these Soviet overtures are merely a gambit which the USSR might develop seriously only if the Western rearmament program shows signs of real implementation.

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REVIEW OF THE WORLD SITUATION AS IT RELATES TO THE SECURITY OF THE UNITED STATES

1. Current Patterns of Soviet Strategy.

As a result of the intervention of Chinese Communist troops in Korea, the UN tactical position there has deteriorated sharply, and the USSR has regained the initiative in its continuing world-wide power-contest with the US and its allies. The intervention demonstrates that the USSR is willing to pursue the experiment in war-by-proxy despite a considerable risk of vastly enlarging the area of armed conflict. Chinese-Soviet propaganda and the course of action undertaken by the two powers suggest that Communist leaders believe the Western Powers are unprepared either politically or militarily to initiate hostilities against the USSR, and that they will avoid war with China so long as neither the USSR nor Communist China is technically and officially in the Korean war. As a form of insurance, however, the USSR has simultaneously developed its "peace offensive" in the UN and in other diplomatic contexts, thereby laying the foundation for temporary withdrawal through a limited political accommodation, if and when such a move should prove expedient. In the meantime, Soviet policy continues to aim at the exploitation of local weaknesses on the periphery of the non-Communist world without the direct use of Soviet military power.

In addition to halting the advance of UN forces in Korea, the Chinese Communists have moved to take over Tibet and are both training and supplying the Communist-led guerrillas who are gravely threatening French control of northern Indochina. The USSR is engaged in long-range penetration programs in many areas, particularly Germany, Yugoslavia, Greece, Iran, Burma, Malaya, and the Philippines, where local military action can be precipitated when conditions permit. Neither the beginning of the accelerated North Atlantic Treaty rearmament program nor the new vigor and determination shown by the UN in recent months has caused the USSR to change either its strategic objectives or its aggressive tactics. Prolongation of the fighting in Korea as a result of Chinese Communist intervention is a crucial step in securing the immediate Soviet aims of: (a) consolidating control over the Satellites, including Communist China; (b) securing the strategic approaches to the USSR; and (c) preventing the establishment on the Soviet periphery of forces capable of threatening the Soviet military position.

2. Chinese Communist Intervention in Korea.

In addition to considerations of general strategy, the USSR and its Chinese allies were faced during the past month with the need to take immediate action to offset or minimize the effects of the defeat of the North Korean forces and of the rapid UN advance toward the Manchurian and Siberian borders. In deciding upon intervention of Chinese Communist forces to restore the military situation and to avert the political and strategic consequences of the threatened disaster, both the USSR and China accepted a greater risk of direct war with the US than was implicit in any earlier adventures. Because the USSR is in an advanced state of war-readiness, it must be assumed that the Kremlin leaders, aware of the danger of direct UN or US retaliation against China or the USSR, were prepared to accept any challenge given.

Both the USSR and China stood to gain certain immediate advantages from intervention, which would serve to: (a) avert the immediate psychological and political consequences for the world Communist movement of the military defeat of the North Korean forces; (b) keep UN forces away from the actual frontiers of China and the USSR; (c) provide an area in Korea from which military and guerrilla operations could be mounted;

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(d) prolong the commitment of UN forces in Korea, thus sapping both Western strength and morale and discouraging the redeployment of UN forces to Indochina, Germany, or elsewhere; and (e) keep open the possibility of a political settlement in Korea. The Chinese themselves, having assumed greater risks than did the USSR, probably hoped for some compensating advantages such as greater prestige in both the Communist and non-Communist worlds, protection to the Suiho electric power installations, and the strategic advantage of eliminating any threat of US-Chinese Nationalist military action against China from Korean bases.

By not formally announcing the objectives of their intervention, the Chinese Communists have retained full freedom of action with respect to Korea, and, depending upon UN and US reaction, can tailor the precise nature and extent of their intervention to developments.

3. A New Challenge to a Stronger UN.

By introducing Chinese Communist forces into Korea, the USSR and its allies have confronted the UN with a more serious challenge than that presented by the initial invasion of South Korea. That challenge, if accepted, will expose the Western Powers in the UN—as well as the USSR—to a grave threat of global war. Some members of the UN will be much less inclined to take a strong position against China than they were on the more limited and much better defined issue of Communist aggression against South Korea. India, for example, advised strongly against the UN movement north of the 38th Parallel even before the Chinese Communists had intervened.

Although the problem of Chinese intervention has placed a new strain on the UN, there are certain very definite signs that the international organization has become a more effective device for curbing aggression than at any time in its history. The General Assembly has taken forthright action regarding Korea and has even taken steps to prevent paralysis of UN machinery in the event of a Korean-type venture elsewhere. The UN, increasingly impatient with Soviet intransigence, has reached the point where emphasis has shifted from seeking to win the cooperation of the USSR to determination to act effectively despite Soviet obstructionism. This new UN determination will undoubtedly cause the USSR, in preparing new aggressive moves, to give more careful consideration to the possibility of UN intervention.

Nevertheless, the Korean intervention poses a most serious problem for the UN. The boldness of the Chinese Communists and the magnitude of their military capabilities suggest that a strong military reaction by the UN, including air bombardment of Chinese supply centers, probably would encourage—rather than discourage—the Chinese Communists from attempting a large-scale offensive designed to drive the UN forces off the Korean peninsula. Nevertheless, the UN may also by means short of military action against China persuade the Chinese Communists to refrain from such an offensive and limit their intervention to still-to-be-defined local objectives.

It is doubtful that a UN condemnation of Chinese action would either drive the USSR out of the UN or divert the Chinese Peoples Republic from its ambition to join the UN. On the contrary, the USSR shows every intention of remaining and of doing all in its power to prevent further strengthening of the UN and further consolidation among the non-Stalinist nations.

Although the growing unity within the UN may induce the USSR in the future to be more astute in applying the technique of local aggression, the local situations in Indochina and in other vulnerable areas contain elements which the USSR can probably exploit while still avoiding effective UN counteraction.

4. Crisis in Indochina.

In northern Indochina the forces of Ho Chi Minh have begun a limited offensive in the Chinese border regions with the apparent objective of opening supply lines to China. Improvement of transport facilities on the Chinese side of the border foreshadows an early improvement in Ho's logistical position and a subsequent offensive (probably within six months) against the French forces now

deployed in the populous Red River Delta area around the northern capital of Hanoi.

The deteriorating French military position has aggravated the political crisis in Indochina. The Vietnamese Premier, who heretofore has acquiesced to French policy, has apparently expressed the views of even the moderate Vietnamese in publicly denouncing the French position in current French-Vietnamese political negotiations.

If the Indochina problem were to be taken to the UN in the present political context, constructive and helpful action by the UN would be extremely difficult. So long as the Chinese Communists have not given convincing evidence of overt intervention, so long as the external appearance is one of European colonial power fighting revolutionary native elements, and so long as the anti-Communist native government is at odds with the French, it is extremely doubtful that the UN could agree on a basis for initiating effective military action against Ho Chi Minh. Until the civil as well as the military problem of Indochina is submitted to the UN, and Indochina becomes, like Korea, virtually a trust territory, it is improbable that the UN can take effective action.

Although some Frenchmen now favor throwing the entire Indochinese problem into the UN, it is unlikely that, in the absence of intense pressure from other Western Powers and further deterioration of the French position, the French Assembly would accept such a solution. The containment of the Ho Chi Minh forces at this juncture depends, therefore, almost exclusively on unilateral US action. Given a continuation of the present political situation in Indochina, even with US aid (short of direct ground, air, and naval support), it is doubtful that the French can hold northern Indochina for more than six months, nor all of Indochina for more than eighteen months. The mounting threat of deeper US involvement in Korea, however, may well force both the French and the UN to seek an early political solution. One recent development which may contribute toward the solution of the Indochina problem is the disillusionment in India with the aims and policies of China.

5. Deterioration of Indian-Chinese Communist Relations.

Concurrent with their operations in North Korea, Chinese Communist forces in southwest China have apparently begun a westward movement toward the Tibetan capital. This well-advertised advance makes it clear that the Peiping government is determined to extend its control over the province, with or without a negotiated settlement. In pursuing that objective, the Chinese Communists have not been, nor will be, deterred by Indian entreaties to refrain from a military settlement.

China's conduct regarding Tibet has aroused considerable anger and resentment within the Indian Government. Recent Chinese references to the Indian border principalities of Nepal and Sikkim, China's agitation among the tribes of northern Burma, and increasing Chinese support for the Ho Chi Minh cause in Indochina present a further potential challenge to Indian security interests and should produce further misgivings about the wisdom of retaining friendship toward Peiping as one of the central features of Indian foreign policy. Nevertheless, Nehru himself is still the prime mover in external affairs, and the underlying considerations involved in his China policy (the need to get along with India's most powerful neighbor, the belief in the Peiping regime as a legitimate expression of Asiatic nationalism, and the fear of global war) continue to exercise a powerful influence on Indian thinking. Although it is not yet clear that any basic change in India's international outlook will take place in the immediate future, considerable pressure is undoubtedly being placed on Nehru to abandon his moral support of Communist China. As the threat of Communist expansion into Southeast Asia with Chinese support and instigation is intensified, the pressure for abandonment of China will increase. It is already apparent that some Indian leaders are worried about Indochina and Burma, and positive assistance from India in curbing Chinese-dominated Communist expansion into those two countries must be recognized as a definite possibility.

6. Western European Defense Problems.

Not only has France's unwillingness to give up its prerogatives thus far prevented positive international action in Indochina, but French intransigence is delaying the developing defense program for Western Europe, where the consequences—though less immediate—are potentially graver than those in Indochina. In an attempt to preserve its life, the present French Government has attached conditions to German remilitarization which are largely unacceptable to the other NATO countries. However, French opposition appears to be weakening, and, if the NATO countries adhere to their position, it is almost certain that NATO can develop some satisfactory compromise formula which, in the face of isolation, the French would be obliged to accept. Indeed, unless the NATO countries arrive at an adequate solution of the defense problem, Western European skepticism as to the efficacy of the West would be so intensified as to render the whole defense program a dubious enterprise.

Present French intransigence over German rearmament also has adversely affected the ability of the Adenauer Government to secure parliamentary support for providing West German units to a European defense force. Already obliged to defend itself against Socialist and Protestant attack, the Adenauer Government not only would find it politically impossible to accept the present French conditions, but its ability to contribute forces to any European Army is being sapped by the continuing debate and uncertainty regarding the method. Nevertheless, given an early compromise solution permitting German entry on an equitable basis, the West Germans can be expected to contribute to a European force.

Underlying all the discussion of the Western defense problem is the fundamental question which has existed since the program was conceived: will the continental NATO countries be willing and able to bring about sufficient internal unity and to make sufficient economic sacrifices to contribute to the Western defense forces the necessary enthusiasm, equipment, and manpower to make that force an effective deterrent to Communist aggression? Complicating the entire program, at least on the continent, is the vicious circle which has been set up: the rearmament and defense program cannot be carried out effectively unless the individual West European believes in it and supports it, yet the West European will not extend his full support unless it is demonstrated to him that the program will be effective.

7. A Soviet Counter-Thrust at Germany.

The dilemma of the West European citizen was posed directly by the USSR to the Germans when the Foreign Ministers of the Satellite countries under the guidance of Molotov issued a declaration in Prague calling for German unity and a peace treaty. The declaration in effect told the Germans that by supporting Western rearmament they might involve themselves in a war, but by staying out of the Western camp they would achieve the unification of Germany.

Whether the declaration and the subsequent formal Soviet demarche calling for a CFM meeting on Germany will succeed in exploiting German differences and thus deter the Adenauer Government cannot yet be determined, nor can it be stated definitely that this Soviet proposal was not intended as a serious overture to the West. It is conceivable that the USSR is genuinely frightened at the prospect of Western rearmament and at the new firmness of the non-Stalinist countries in dealing with Soviet expansion. The USSR may, therefore, be willing to forego the advantages of its control over East Germany (for example, unhampered further exploitation of the uranium deposits) and agree to German unification. If such is the Soviet intent, it is so only because the USSR hopes to neutralize Germany by adding East German Communist and Protestant strength to the already substantial anti-remilitarization sentiment in West Germany.

The probability is, however, that the Prague declaration is a gambit which can be further developed if the Western program shows signs of real implementation. Since the Soviets are well aware of the hazards which the Western program must surmount before an effective fighting force can be created, it is doubtful that the USSR at this stage has sponsored German unification with any immediate seriousness.

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